

**ECONOMIC  
REPORTS**

**basic data on  
the economy of  
Sweden**

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**General Information**

**Geography and Climate**

Sweden is the third largest country in Western Europe. Its area is 173,423 square miles, of which 158,486 are land and 14,937 are water. It occupies the eastern part of the Scandinavian peninsula, being separated from Norway on the west by a mountain range, Kjolen. The Gulf of Bothnia and the rivers Kongama, Muonia, and Tornea separate Sweden from Finland to the east and north. The Kattegat, Oresund (the Sound), and Koge Bay constitute the water boundary between Sweden and Denmark to the southwest. The land frontier facing Finland is 333 miles long and that facing Norway, 1,030 miles. Sweden extends 978 miles at its longest point and 310 miles at its widest. The total length of coastline is 4,737 miles.

This report supersedes WTIS, part 1, No. 56-55, *Basic Data on the Economy of Sweden*, issued in June 1956.

The three main territorial divisions are Norrland, Svealand, and Gotaland. Main physical divisions are the northern mountains and the lake region, covering all Norrland and the western part of Svealand; the lowlands of central Sweden; the Smaland highlands in the south and southeast; and the plains of Skane, occupying the extreme south of the peninsula. With the exception of Skane and some fairly extensive agricultural lands in the central area, Sweden is a country of forests, rivers, and lakes. Forests cover more than 54 percent of the land area and crop and grazing land, 11 percent. The remaining 34 percent is uncultivated or wasteland.

Situated between latitudes 55°20' and 69°4' N., Sweden has a relatively favorable climate because of the warm Gulf Stream, which passes the western coast of Norway and sends an arm into the Skagerak. On the other hand, the Russian continental mass adversely affects Sweden's climate, especially in the winter, when cold easterly winds prevail.

Because of Sweden's great length from south to north the climate varies considerably. In Skane, the summers are about 142 days long, while winters are about 72 days; in Stockholm, the corresponding periods are 124 and 121 days; in the northernmost part of the country, summer is only 88 days and winter lasts 186 days. Summer daylight continues far into the night throughout

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**U. S. DEPARTMENT OF COMMERCE**

**Frederick H. Mueller, Secretary**

**BUREAU OF FOREIGN COMMERCE**

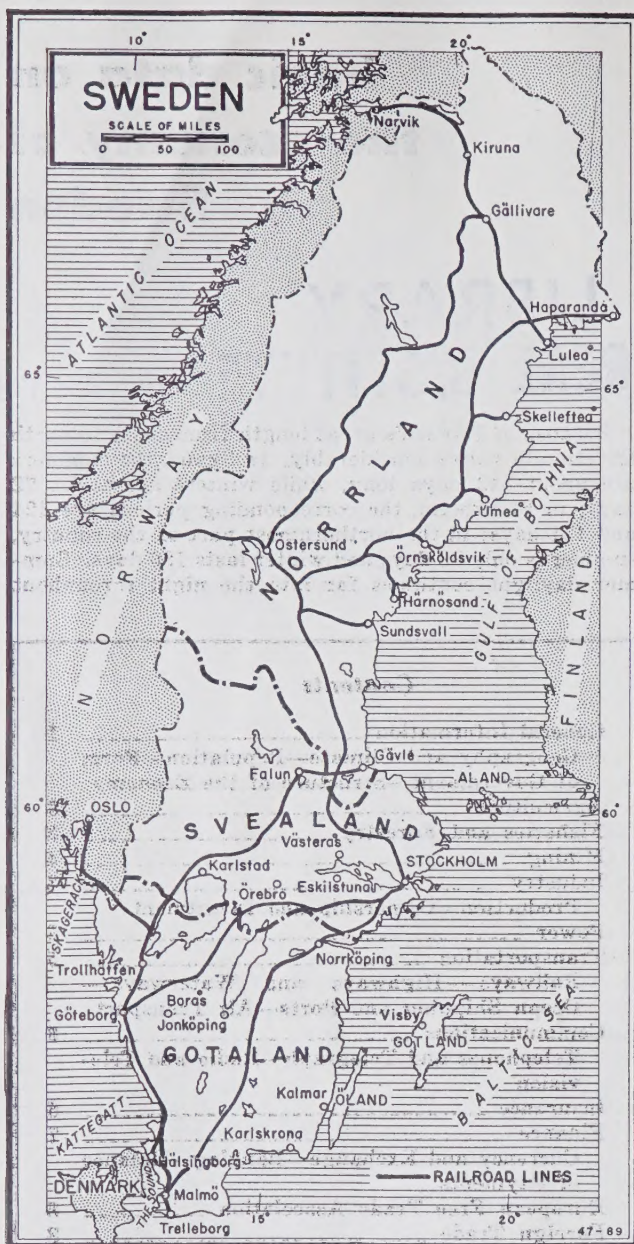
**Loring K. Macy, Director**

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Sweden and, in the upper part of Norrland, is continual for 53 days.

February, the coldest month, has a mean temperature of below 32° F. throughout Sweden (Stockholm averages 25.7°; Göteborg, 30.4°; and Haparanda, in the north, 10.6°). The average annual rainfall for the south of Sweden is 23 inches and for Lapland, 12 inches. Generally, snow lies on the ground about half the year in northern regions and about 2 months in the south.

## Population

The total population as of January 1, 1959, was 7,436,066, of whom 3,779,026 or 51 percent were urban. In 1958, the total gainfully employed population (3,442,772) was distributed as follows: Agriculture,

forestry and fishing, 527,364; construction, 273,552; mining and manufacturing, 1,185,549; transportation and communications, 284,449; trade, 656,796; public administration, 440,772; professions, 46,213; domestic service, 75,028; other, 17,049.

Populations of leading cities as of January 1, 1959, were, in thousands: Stockholm, 805 (greater Stockholm, 1,062, in 1956); Göteborg, 397 (including 8 principal suburban communities, 441, in 1956); and Malmö, 221 (including 2 principal suburban communities, 219, in 1956). Other important cities and their population were, in thousands: Norrköping, 90; Helsingborg, 75; Örebro, 74; Västerås, 74; Borås, 65; Linköping, 64; Gävle, 53; Jönköping, 49; Halmstad, 38; Lund, 39; Kalmar, 30; Sundsvall, 28; and Östersund, 24.

The Lapps of the North, numbering about 10,000, constitute the only significant racial minority.

School attendance is compulsory and illiteracy is virtually nonexistent. Of the 975,702 children of school age (7 to 14) in 1958, the number attending school was 864,818. Enrollment in the fall of 1958 in state high schools was 206,344 and in the universities, 20,319.

## Form of Government

The Kingdom of Sweden, a constitutional monarchy, might also be described as a parliamentary democracy.

The present ruler, Gustaf VI Adolf, ascended to the throne in 1950.

The Constitution of 1809 provides for a balance of power, with executive and judicial authority vested in the King-in-Council, or the Government, and legislative authority exercised by the King and the Riksdag (Parliament) jointly, the right to tax being placed in the exclusive hands of the Riksdag. The Riksdag consists of the First (Upper) Chamber of 150 members and the Second Chamber of 230 members. The First Chamber is elected by indirect vote of the Provincial councils (Landsting) and, in towns not represented in the Provincial councils, by the town councils, one-eighth of the Chamber being renewed each year. The Second Chamber is elected by direct vote every 4 years. The present government of Social Democrats came into power in October 1957.

For local administration the country is divided into Provinces (lan). The number of such administrative Provinces is 25, of which the city of Stockholm is 1; their physical boundaries differ somewhat from those of the 25 historical Provinces. Each Province except Stockholm is administered by a governor. Stockholm has a governor general.

## Structure of the Economy

The economy is based on private enterprise—95 percent of all industry is privately owned. Of the remaining 5 percent, public ownership holds 1 percent and consumer cooperatives account for the rest. Industry is well diversified, the manufacture of forest and metal products ranking foremost. Heavy emphasis is placed on the development of hydroelectric power to compensate for a lack of petroleum and adequate coal deposits. Foreign trade plays an important role.

Sweden's balance of resources for the period 1956-59 at current prices is given in table 1.



**Table 1.—Balance of Resources, by Years, 1956-59**  
[Millions of crowns<sup>1</sup>]

Item	1956	1957	1958	1959
<b>Resources</b>				
Gross national product at market prices	53,153	57,123	59,517	62,834
Import of goods, c.i.f.	11,434	12,567	12,249	12,300
Reduction of stocks, etc.	—	—	107	600
Total	64,587	69,690	71,873	75,734
<b>Uses</b>				
Private domestic investment	9,325	9,751	10,699	11,208
Public domestic investment	6,728	7,470	7,805	8,577
Increase of stocks, etc.	715	1,222	—	—
Export of goods, f.o.b., and net of services	11,307	12,472	11,969	12,450
Private consumption	30,202	31,733	33,769	35,165
Public consumption	6,310	7,042	7,631	8,334
Total	64,587	69,690	71,873	75,734

<sup>1</sup> 5.18 crowns equal US\$1.

Source: Swedish National Budget for 1960.

## Agriculture

Agriculture in Sweden is carried on chiefly by small family-owned farms, but their number is gradually decreasing. Of the farm units of 2 hectares or more (1 hectare equals 2.471 acres) reported in 1956, 63.7 percent were from 2 to 10 hectares in size; farm units of over 100 hectares accounted for the cultivation of less than 1 percent of the total arable land. The total number of holdings decreased from 282,187 in 1951 to 268,101 in 1956, or by 5 percent. The number of 2- to 10-hectare holdings decreased 16 percent from 1951 to 1956, while the number of 15- to 50-hectare units increased 10.4 percent during that period. The arable land is mainly in the south of Sweden, where most of the large estates are still found. Farming in northern Sweden generally is combined with forestry.

Sweden's primary agricultural objective is self-sufficiency. A long-term policy, adopted in 1947, is aimed at obtaining for the agricultural population the standard of living enjoyed by other groups in the community. In carrying out this policy the Government has, among other things, adopted measures to promote the consolidation of small uneconomic farm units, an improvement in land layout and in cultivation through increased mechanization, the more effective use of fertilizers, the use of better seed, and an improvement in livestock management.

In 1956, as part of its agricultural program, the Swedish Government established a system of flexible import fees. These fees replaced import duties for certain farm products and they are designed to help maintain the domestic agricultural price system within certain limits in direct proportion to world market changes.

The distribution of total land in 1956 (the latest year for which official figures are published) was as follows:

	Hectares	Percent of total land
Cropland	3,575,833	8.7
Cultivated grassland	184,214	.5
Natural grassland	500,252	1.2
Forest land	22,505,362	54.7
Other land	14,345,747	34.9
Total	41,111,408	100.0

Farmers own about one-half of the forest land and one-third of "other land."

Table 2 shows agricultural production in 1957 and 1958, as well as average production in 1936-40; table 3,

production of meat, eggs, margarine, and important dairy products in 1939 and 1957-58; and table 4, the numbers of livestock in 1947 and 1957-58.

**Table 2.—Volume of Agricultural Production, 1936-40 (Average) and 1957-58**  
[Thousands of metric tons]

Crop	1936-40 (average)	1957	1958
<b>Grain:</b>			
Winter wheat	536	433	259
Spring wheat	136	278	338
Rye	344	230	169
Total bread grain	1,016	941	766
Barley	210	557	658
Oats	1,205	847	894
Mixed grain	552	547	520
Total coarse grain	1,967	1,951	2,072
Total grain	2,983	2,892	2,838
Hay, cultivated and wild	5,143	4,357	4,420
Potatoes	1,921	1,498	1,393
Sugar beets	1,894	2,103	1,764
Fodder roots	2,672	909	852

Source: Statistisk Årsbok, 1959.

**Table 3.—Production of Meat, Eggs, Dairy Products, and Margarine, 1939 and 1957-58**  
[Thousands of metric tons]

Item	1939	1957	1958
Meat	301	339	374
Eggs	64	84	86
Milk	4,720	4,034	3,927
Butter	101	88	87
Cheese	43	52	51
Margarine	59	116	109

Source: Statistisk Årsbok, 1959.

**Table 4.—Livestock Numbers, as of June 1, 1947, and 1957-58**

Item	1947	1957	1958
Horses	550,952	254,970	244,270
Cattle	2,796,637	2,425,670	2,542,770
Cows	1,808,493	1,372,730	1,383,570
Sheep	420,774	143,100	139,060
Pigs	2,088,892	1,855,340	2,030,950
Poultry	8,361,364	7,470,920	7,502,780

Source: Statistisk Årsbok, 1959.

The use of tractors on Swedish farms continues to increase rapidly; they totaled 135,559 on October 1, 1957, compared with 107,458 on October 1, 1954. Other forms of farm machinery, such as combine harvesters and milking machines, are widely used in areas where farming lends itself to a high degree of mechanization. Most farms have electric power and use electric motors and appliances both in farm buildings and houses.

## Fisheries and Forestry

Fishing is done along Sweden's coast and in the numerous lakes and rivers. Most important are the deepsea fisheries in the Baltic Sea, the Kattegat, and the Skagerrack, as well as in the North Sea, north and west of Scotland, the Shetlands, and Iceland. The west coast fisheries engage the largest number of fishermen and yield the largest catches. Herring, including



Baltic herring, are in greatest volume, followed by cod, mackerel, plaice, and other flatfish. Herring and mackerel are exported, some of the catches being landed by Swedish fishermen direct in foreign ports, chiefly in Denmark and the United Kingdom. Salmon and crustaceans are consumed almost entirely by the domestic market.

In 1957, Sweden had 9,834 professional and 7,702 part-time fishermen. The fishing fleet totaled 18,256 craft and the catch amounted to 222,074 tons valued at 148,914,000 crowns.

The forests—covering 22,505,000 hectares, or more than half of the land area—probably are the nation's greatest single source of wealth, being popularly referred to as Sweden's green gold. Ownership of the forests is as follows, in percent: Private owners, 54; corporations, about 25; the state, 19; and the church and public bodies, about 3.

The greatest proportion of forest area is in the north central Province of Western Norrland. Pine and spruce are the principal types of trees; birch grows everywhere in the country, even on the high moors of Lapland; and oak, lime, and elm also are found, particularly in southern Sweden. Other species include aspen, mountain ash, bird cherry, alder, and willow. Swedish timber, particularly that of northern Sweden, is generally of high quality.

Sweden has a highly developed forest-conservation program, and intensive research has been carried on with respect to rational silviculture. This program is designed to maintain the high quality of Swedish timber products. Estimated yearly cutting of timber in the 1955-58 period averaged 41.5 million cubic meters, with percentage use about as follows: Sawmills, 35; woodpulp making, 46; fuel, 13; and other uses, 6. An extensive system of waterways provides inexpensive transportation of logs from the forest to the mills, most of which are situated along the coast. Since World War II, however, increasing amounts have moved to the mills by rail and truck. Shortage of forest labor has led to the introduction of one-man chain saws, mobile barking machines, and mechanical handling plants.

## Mining

Mining, carried on in two widely separated regions, is devoted chiefly to iron ore extraction. The mining region of central Sweden (Bergslagen) is important for low-phosphorous iron ore upon which the domestic high-quality iron and steel industry is based. The other region, in Lapland north of the Arctic Circle, yields a high-phosphorous iron ore chiefly for export; this ore is shipped through the ice-free port of Narvik, Norway, and through Lulea, on the Gulf of Bothnia, in Sweden.

The deposits in central Sweden are estimated at about 220 million tons,<sup>1</sup> and those in Lapland, considered among the richest in the world, are estimated at over 2 billion tons.

Most Swedish ores are rich in iron, those in central Sweden containing between 50 and 60 percent and the Lapland ores between 60 and 70 percent. In 1958, 18.3 million tons of iron ore were extracted, of which 16.5 million tons were exported. During most of the post-

war period around 2 million tons of Swedish ore have been shipped annually to the United States. However, exports dropped to 1.6 million tons in 1954, to 1.1 million in 1955, and to 95,000 in 1958.

Relatively small deposits of other minerals, such as gold, silver, lead, copper, zinc, pyrites, tungsten, manganese, molybdenum, and arsenic, are found in northern Sweden. Some coal of a rather low quality is produced in southern Sweden. Also petroleum is extracted from a shale oil deposit in south central Sweden. This shale oil operation produced, in 1957, 35,000 cubic meters of gasoline, 19,000 cubic meters of gas oil, and 77,500 cubic meters of heating oil. The shale deposits are also a source of uranium.

Granite, feldspar, quartz, and marble are quarried in various parts of the country.

The Swedish Government does not encourage foreign investment in the country's natural resources, and such foreign ownership is virtually nonexistent.

## Industry

### Production

Swedish industry centers around the country's three principal resources—forests, iron ore, and waterpower. Production has shown a steady increase throughout the postwar period, except in the years 1952-53. Table 5 shows the production index for 1937 and the 4-year period, 1955-58.

Table 5.— Industrial Production Indexes

[1935=100]

Year	Capital goods	All industry	Consumer goods
1937	127	122	116
1955	249	226	191
1956	251	234	201
1957	265	240	198
1958	261	238	196
1959	268	246	202

Source: Kommersiella Medalanden, No. 4, April 1960.

Sweden's main industries—lumbering and pulp and paper production; iron and steel manufacturing; machinery production and shipbuilding; and chemical manufacturing—are all geared for export. The forest products, metalworking, machinery, and shipbuilding industries account for about three-fourths of total Swedish export, the forest products industry alone supplying 34 percent of the total.

In 1959, production of pig iron and steel ingots totaled 1,514,000 tons and 2,875,000 tons, respectively. Annual production in 1959 (or 1958, if indicated) of selected other commodities was as follows, in tons: Cement, 2,820,000; cotton yarn, 251,784; wool yarn, 13,261; staple fiber, 20,112; cotton piece goods, 22,730; sulfite woodpulp, 1,421,000; sulfate woodpulp, 1,198,000; paperboard, 300,000; newsprint, 506,000; wrapping paper, 672,000; ball and roller bearings, 16,845 (1958); and matches, 19,693 (1958). Automotive production (1958) was, in units: Passenger cars, 71,755, and trucks, 20,027.

The forest products industry is concentrated in north Sweden. Most plants are along the coast, providing easy access for ships that take on exports. Some im-

<sup>1</sup> All tonnages in this report are metric unless otherwise indicated.



portant plants are located in central and south Sweden. The steel mill industry is in north central Sweden near the Bergslagen iron ore fields. The only state-owned plant in this industry is at Lulea in north Sweden. The shipbuilding and machinery industries are centered around Goteborg, Malmo, and Stockholm. Goteborg is also the center for other industries, such as weaving, ball-bearing manufacture, and fishing.

The textile industry is carried on in southwestern Sweden in such cities as Boras and Alingsas. Orebro is the center for the shoe industry. Norrkoping, near Stockholm, contains important textile mills, an agricultural machinery plant, and a rubber mill.

### Ownership and Investment

As stated earlier, Swedish industry is held primarily under private domestic ownership. The state operates public utilities, railroads, and hydroelectric power plants built with public funds. It also owns certain mines, a steel mill, and a number of pulp mills, paper mills, and sawmills. The latter were taken over primarily to provide employment in certain economically distressed areas. The state also operates such monopolies as tobacco and liquor.

Foreign investment in Swedish industry is subject to Government permit. Applications to invest are carefully considered by the appropriate authorities. A law effective January 1, 1956, makes it possible for foreign firms to establish and operate branches in Sweden. Previously, foreign firms had to operate through a local agent or a duly established Swedish corporation.

Amercian investments are largely in firms engaged in manufacturing (such as rubber products, agricultural machinery) and distribution (automotive products, petroleum products, motion picture films). Almost all of these investments were made before World War II. Since the war, American and many other foreign firms have preferred patent licensing to branch-factory operation in Sweden.

The domestic capital market provides funds for industrial expansion and national resources development.

### Power

Sweden, among the few highly industrialized countries with no resources of high-grade solid fuel, has concentrated on developing its waterpower resources for the production of electricity. Electric energy output has expanded rapidly. In 1958, it totaled 30,354 million kilowatt-hours, of which 28,829 million were produced by waterpower. In addition, Sweden imported 38 million kilowatt-hours of electricity, bringing the total disposable amount of electric energy to 30,392 million kilowatt-hours. Of this amount, industry used 16,977 million kilowatt-hours or 55 percent. Sweden's export of electric energy rose from 139 million kilowatt-hours in 1949 to 579 million kilowatt-hours in 1958.

About 85 percent of the hydroelectric power is generated in north Sweden. This necessitates long transmission lines as five-sixths of the people live in the southern half of the country. Swedish engineers are credited with building the first transmission line to carry 380,000 volts.

Sweden's total resources of waterpower are estimated

at about 150 billion kilowatt-hours but the amount economically exploitable under present conditions is given as 20 billion. Plants designed and constructed by the State Power Board, and operated by the State Power Board and municipalities, account for about 50 percent of the power produced. Some of the large producers plan and build their own plants.

Sweden is actively engaged in developing the use of atomic energy in electric energy production.

### Transportation

#### Railways

Sweden has an extensive rail network, 93.3 percent being state owned. The total trackage in 1958 was 9,947 miles, of which 4,533 were electrified. In 1958, the State Railways consumed 1,270 million kilowatt-hours of electric energy in operating locomotives. Coal consumption amounted to 115,000 tons (533,000 in 1950 and 653,000 in 1938) and fuel oil consumption reached 24,000 tons (11,812 in 1951 and 6,500 in 1950). About 85 percent of all rail traffic is hauled by electric locomotives.

Rail connections are maintained with the Continent and Denmark via train ferries, and through sleeper accommodations are available to the important capitals. Rail connections with Norway are direct and Finland can be reached via rail through northern Sweden.

Swedish passenger rolling stock has been undergoing considerable modernization and streamlined express trains have shortened travel time between two of the key centers of traffic—Goteborg and Stockholm.

#### Highways and Inland Waterways

Sweden has a well-developed system of roads and highways, and has given considerable attention since the war to improving and expanding both primary and secondary roads. The total length of roads and highways is over 56,800 miles.

Motortruck and bus transportation is growing in importance.

In January 1959 registrations totaled 980,989 passenger automobiles, 8,006 buses, 115,601 trucks, and 205,724 motorcycles. Sweden is one of the few countries with left-hand traffic.

Extensive shipping takes place on Lakes Vanern and Malaren, connected with the ports of Stockholm and Goteborg by navigable canals.

#### Ocean Shipping and Ports

Sweden's merchant fleet plays an important role in carrying goods in foreign trade and in earning foreign exchange. Net shipping earnings in 1958 were 1,127 million crowns. On December 31, 1959, the fleet consisted of 1,877 vessels of 3,664,000 gross registered tons, distributed as follows:

	Number	Gross registered tons
Tankers	188	1,264,000
Passenger vessels	149	127,000
Combination ore-tanker carriers	24	321,000
Refrigerated vessels	24	101,000
Dry-cargo vessels	1,140	1,814,000
Auxiliary motorships	352	87,000
Total	1,877	3,664,000



The fleet has been expanded and modernized since the war, and passenger vessels in service between Sweden and the United States and the United Kingdom are of the most modern construction.

The fleet is owned and managed by domestic interests, and receives no direct Government subsidies.

Sweden is well served by domestic and foreign shipping companies. An American company maintains regular sailings between ports of the United States, Sweden, the Baltic area, and the other Scandinavian countries.

**Seaports.**—The three largest ports are Goteborg, Stockholm, and Malmo. Goteborg, on the west coast, is the principal port for oversea trade; Stockholm is the chief Baltic port; and Malmo is the principal port for traffic with the Continent. These ports are accessible to large vessels, having depths at quayside of 10, 10, and 9.25 meters, respectively. Other large ports are Trelleborg and Halsingborg, connected by rail ferry with Germany and Denmark, respectively; Lulea and Gavle, which handle iron-ore exports; Sundsvall, which exports large quantities of forest products; and Norrkoping, Kalmar, Landskrona, Soderhamn, and Ornskoldsvik. All have modern quays, cranes, railway connections, and warehouses.

Storage and dock facilities in the principal Swedish harbors for both general and specialized cargoes such as coal, oil, and grain are considered good.

Numerous loading places are available. For example, at the mouths of Norrland's rivers a great many saw-mills and pulp factories have their own harbors, devoted almost exclusively to export of the companies' products.

**Free ports.**—Goteborg, Malmo, and Stockholm have free ports designed for transit traffic and as concentration centers for imports and exports. Swedish free ports are under the supervision of the Royal Board of Customs, which has authority over all goods and traffic passing through the ports in order to insure that Swedish laws and regulations are observed.

Goods within the freeport areas are exempt from Swedish customs duties, other import charges, and manufacturing taxes. Manufacturing may be carried on in the areas under special authorization but retail trade is prohibited, except as may be authorized to provision and service ships and aircraft.

It is estimated that the free-port areas at Goteborg, Malmo, and Stockholm are capable of storing 250,000 tons of commodities, or 125,000, 60,000, and 65,000 tons respectively.

## ***Air Transport***

The Swedish Airlines (ABA), which has operated Sweden's domestic and international air routes since 1924, is today primarily a holding company for the Swedish share of the jointly owned and operated Scandinavian Airlines System (SAS).

SAS maintains services from Scandinavia to western and central European countries; to the Near East; several Far Eastern centers; over the south Atlantic to Rio de Janeiro, Montevideo, Buenos Aires, and Santiago de Chile; and to the United States. Flights between New York and Scandinavia go via Glasgow. A regular service between Los Angeles and Scandinavia was inaugurated in November 1954 via the Polar route, with stops at Winnipeg and Thule, Greenland. Service is available to Moscow.

Regular service between the United States and Sweden is maintained by a leading American company. Several foreign companies also make regular flights to Sweden.

Except for service maintained by SAS there is little domestic aviation in Sweden. A few small operators engage in domestic charter service using helicopters or aircraft of smaller types.

The principal civil airports are Bromma at Stockholm (headquarters of SAS), Arlanda (new airport for jets, 27 miles from Stockholm), Bulltofta at Malmo, and Torslanda at Goteborg.

The Swedish, Danish, and Norwegian Governments together own 50 percent of SAS. The other 50 percent is in the hands of private nationals of the three countries.

## **Communications**

### ***Telephones and Telegraph***

Sweden's telephone and telegraph services are public utilities administered by the Royal Board of Telegraph.

On January 1, 1958 (the latest year for which official statistics on communications have been published), 7,053 telephone exchange stations and 2,410,000 installations with telephone apparatus were in operation in Sweden, representing 326 units to each 1,000 inhabitants. Sweden is reputed to have more telephones per capita than any other country in the world. Rates are equivalent to those in the United States.

On January 1, 1958, Sweden had 113 principal telegraph stations, 1,841 minor stations, and 1,260 operated by railways. In service also were 162 fixed radiotelegraph stations, 1 radio direction-finding station, and 1,856 ship and aircraft radiotelegraph stations.

### ***Radio and Television***

The Swedish Radio Broadcasting Corporation, AB Radiotjänst, is nominally a private company but most of the shares are owned by the Government. It is the outlet for all radio and television broadcasting in Sweden, operating 36 radio relay and 13 TV stations throughout the country.

In principle, no commercial advertising is permitted on the Swedish radio or TV which support themselves by a system of annual license fees collected from radio and TV subscribers. On August 31, 1959, the number of licenses covering radio receivers totaled 2,669,000, and television receivers, 422,000.

## **Insurance**

The insurance industry is supervised by the Royal Insurance Inspection Board, an agency attached to the Ministry of Commerce. At the beginning of 1957 there were 106 Swedish insurance companies operating on a national basis. In addition to these domestic companies, there were 35 foreign companies engaged in direct insurance, of which 7 were life insurance companies, 1 was life-fire-causality insurance company, and 27 were fire and causality insurance companies. The foreign companies consisted of 17 British, 8 Danish, 3 Swiss,



1 American, 1 Finnish, 2 French, 2 Norwegian, and 1 Austrian.

There were also 756 small, local companies authorized to operate only in designated Provinces or subdivisions of a Province, writing fire, hailstorm, and livestock insurance, as well as marine insurance on fishing boats and other small vessels.

Total premium income for Swedish companies in 1957 amounted to 1,066 million crowns for life insurance and 943.7 million crowns for all other insurance. At the end of 1957, 4.9 million life insurance policies were in force, representing total insured capital values of 20,098 million crowns.

A comprehensive social insurance program is under the supervision of the Ministry of Social Affairs. The Swedish Universal Compulsory Sickness Insurance System, which went into effect January 1, 1955, entitles all persons, including resident foreigners, to needed medical care and cash benefits if sickness causes loss of earnings. Sickness insurance is provided by private societies subsidized by the Government. Workmen's compensation insurance is compulsory and is provided by nine employers' mutuals and by the Government-operated National Insurance Institute. Unemployment insurance is provided by voluntary societies run by labor unions under Government supervision and with Government aid. Old-age insurance for invalids and widows are compulsory and every citizen is entitled to a small retirement pension at age 67.

## Finance

### Currency and Exchange

The basic monetary unit is the krona (crown) and the fractional unit is the ore (100 ore equal 1 krona).

The circulating media consist of paper notes issued by the Swedish Riksbank in denominations of 1, 5, 10, 100, 1,000, and 10,000 kronor, together with silver coins of 2 and 1 kronor and 50, 25, and 10 ore and copper-nickel coins of 5, 2, and 1 ore.

Gold payments were suspended on September 28, 1931. On July 13, 1946, the Swedish crown underwent a general appreciation which reduced the pegged rate from 4.20 per US\$1 to 3.60. The crown was devalued, however, on September 20, 1949, following the devaluation of the pound sterling, and the current rate is 5.18 crowns per \$1. Foreign exchange control was introduced in 1940, but was not strictly enforced until the fall of 1947, when rigid measures (including requisitioning of Swedish-owned liquid foreign exchange) were adopted to counteract the great outflow of gold and foreign exchange which had taken place since the middle of 1946.

As Sweden's foreign exchange situation improved it became possible for the Government to relax exchange regulations and import controls. On December 27, 1958, the Government announced that the Swedish crown would be freely convertible into other currencies with regard to current commercial transactions with all countries except those with which Sweden had bilateral payments agreements (such agreements are still in force with the Soviet bloc countries and a few Western countries). Since that time the Swedish crown has been freely convertible into U. S. dollars for current commercial transactions.

Sweden was a member of the European Union agreement from the establishment of the agreement in September 1950 until its termination on December 27, 1958. EPU was replaced by the European Monetary Agreement (EMA) which came into force on December 29, 1958, following the adoption by Sweden and a majority of EPU member countries of measures providing for limited convertibility of their currencies, particularly as against the U.S. dollar.

Sweden is also a member of the International Monetary Fund, the International Bank for Reconstruction and Development (World Bank, or IBRD), and the World Bank's affiliated organization, the International Finance Corporation.

## Banking

Sweden has an old and highly developed banking system. The Central Bank of Sweden (Sveriges Riksbank) is controlled by the Riksdag. It has the sole right to issue banknotes, and its main function is that of regulating the external and internal value of the Swedish currency. It controls the internal money market by means of discount and interest rates, serving as a basis for the private Swedish banks.

The Riksbank also acts as a convenient central source for Government and commercial bank short-term loans and as a safe depository for Government and commercial bank funds.

The Riksbank, through the Foreign Exchange Control Office, also controls the foreign exchange serving as licensor of all exchange transactions with other countries.

Of the 16 commercial banks in Sweden all but 1 are privately owned. The latter, Sveriges Kreditbank, is a Government-owned commercial bank created as a result of the reorganization of Jordbrukarbanken and the main part of Goteborg's Handelsbank, and was given its present name on January 1, 1951. Seventy percent of the commercial banking business is handled by the 4 largest banks—Svenska Handelsbanken (with over 300 branch offices), Skandinaviska Banken (with 241 branch offices), Stockholm's Enskilda Bank, and Goteborg's Bank. Stockholm's Enskilda Bank, with only one Provincial branch, occupies an important position both nationally and internationally. The leading commercial banks have correspondents in the United States.

Private savings banks totaled 440 at the end of 1958 and post offices acting as branch offices in postal savings and transfer deposit (post-giro) activities totaled 4,116.

In addition to the foregoing, Sweden has important mortgage banks for financing agriculture, homebuilding, and shipbuilding.

In January 1960, following the increase of the official discount rate of the Riksbank to 5 percent, the discount rates of the commercial banks were increased as follows: Drafts for less than 3 months, from 5¼ percent to 5¾, and drafts for more than 3 months, from 5¾ percent to 6¼. Loans secured by State institutional bonds were raised from 5 percent to 5¼ percent for less than 3 months and from 5½ percent to 5¾ percent for longer periods. Mortgage loans on real estate were raised from 5¾ percent to 6. The rate for other loans for longer than 3 months were raised from 6¾ percent to 7¼. Charges for overdraft facilities were upped from 6 percent to 6½.



## Balance of Payments

The recovery of economic activity in Western Europe and the United States in 1959 brought improvement in Sweden's foreign trade position. As a consequence, the balance of payments was reflected in a small surplus, as shown in table 6.

**Table 6.—Sweden's Balance of Payments**  
[Millions of crowns]

Item	1947	1957	1958	1959
Exports (f.o.b.)	3,240	11,062	10,799	11,350
Imports (c.i.f.)	5,220	12,567	12,249	12,300
Balance of trade	-1,980	-1,505	-1,450	-950
Net receipts from shipping	+600	+1,440	+1,250	+1,250
Other services, etc. net	-60	+26	-80	-150
Balance of payments	-1,440	-39	-280	+150

<sup>1</sup> Preliminary figures.

Source: Swedish National Budget and the International Monetary Fund.

## European Free Trade Association

Sweden took an active role in the formation of the European Free Trade Association (EFTA). On November 19-20, 1959, Ministers from Austria, Denmark, Norway, Portugal, Sweden, Switzerland, and the United Kingdom ("the Outer Seven") agreed on a convention for a European Free Trade Association. The Convention came into force May 3, 1960, following the deposit of instruments of ratification by all member countries. Headquarters of EFTA are in Geneva.

The Convention includes rules for the abolition of tariffs and quantitative restrictions between member countries on all commodities except agricultural and some fish and other marine products. Each country in "the Outer Seven" will maintain its own individual set of duties on imports from outside EFTA. The convention also contains provisions for fair competition.

## Foreign Trade

### Trade With the World

Foreign trade is a vital factor in Sweden's economy, and fluctuations in this trade are quickly reflected in the country's general level of prosperity.

Swedish imports, while covering a wide range of commodities, consist mainly of raw materials and fuel necessary for the country's agriculture and industry. Exports, though fairly diversified, on the whole are composed mostly of a few major classes of goods (woodpulp, paper, wood products, iron ore, iron and steel, ships, and automobiles). Sweden's foreign trade has a marked multilateral character.

For nearly a century—with the exception of a few years—the foreign trade of Sweden has been marked by an excess of imports over exports. But this excess was more than covered during the latest prewar years by earnings of the Swedish merchant marine and by other invisible incomes. Germany, the United Kingdom, and the United States were the outstanding participants in the prewar foreign commerce of Sweden, taking an average of 17, 25, and 11 percent, respectively, of exports and supplying 25, 19, and 15 percent of imports.

In 1959, Sweden's exports totaled 11,417 million crowns (\$2,203 million) and imports, 12,448 million crowns (\$2,402 million). Of this trade, 74 percent of the exports went to Europe and 72 percent of the imports came from there. The United Kingdom and West Germany, Sweden's leading foreign markets, each took about 15 percent of all Swedish exports in 1939 and supplied 14 percent and 22 percent, respectively, of imports. The United States retained its traditional position as Sweden's third most important source of supply, providing 10 percent of the imports. With respect to a market for Swedish exports, however, the United States in 1959 ranked fourth, taking 7 percent of total exports, compared with seventh place and 4 percent of total exports in 1955.

Sweden's trade with eastern European countries in the Soviet bloc amounted to around 4 percent of total imports and exports in 1959.

Table 7 gives statistics on trade with Sweden's 10 principal trading partners; table 8 shows the distribution of trade by currency areas.

**Table 7.—Principal Partners in Sweden's Foreign Trade**  
[Millions of crowns]

Country of origin or destination	Imports		Exports	
	1958	1959	1958	1959
Total to world	12,249	12,448	10,798	11,417
West Germany	2,855	2,808	1,536	1,722
United Kingdom	1,717	1,715	1,756	1,714
United States	1,296	1,308	628	906
Netherlands	928	965	527	557
Belgium-Luxembourg	455	466	458	435
France	441	492	473	435
Norway	411	428	1,137	1,133
Denmark	490	492	639	737
Italy	431	389	346	381
Finland	128	115	307	378

**Table 8.—Swedish Foreign Trade, by Currency Areas 1958-59**

[Millions of crowns]

Currency area	Imports		Exports		Deficit or surplus	
	1958	1959	1958	1959	1958	1959
Dollar area	1,821	1,813	1,228	1,424	-592	-389
United States	1,296	1,308	628	906	-668	-402
Other	525	505	600	518	+76	+13
European Monetary Agreement (EMA)	9,092	9,187	8,018	8,333	-1,011	-854
Sterling area						
within OEEC	1,852	1,890	1,862	1,850	+10	-40
Other countries						
within OEEC	1,393	1,472	2,196	2,344	+803	+872
Sterling area outside OEEC	516	528	482	486	-34	-42
Common Market (EEC) countries	5,216	5,232	3,418	3,599	-1,798	-1,631
	50	64	59	53	+0	-11
South American countries outside the dollar area	432	377	478	388	+46	+10
Soviet bloc <sup>2</sup>	420	544	413	513	-6	-31
Other countries	545	525	659	757	+114	+232
Total	12,249	12,448	10,798	11,417	-1,450	-1,031

<sup>1</sup> Brazil, Paraguay, Argentina, Chile, and Peru.

<sup>2</sup> Except China.

Source: Swedish Monthly Trade Statistics, No. 1, 1960.

Note: Components do not add here because of rounding and other factors.



In 1959, Sweden's key export commodities—lumber, woodpulp, paper, iron ore, steel, and machinery—continued to move at high levels. Lumber exports reached a total of 973,023 standards, compared with 821,237 in 1958; about 37 percent went to the United Kingdom, 18 percent to the Netherlands, and 14 percent to West Germany.

Exports of chemical woodpulp totaled 2,318,700 tons and mechanical woodpulp, 360,259 tons. Chemical woodpulp exports in 1959 exceeded the record level of 2,200,000 tons reached in 1937, when, however, less woodpulp was manufactured into paper and viscose products in Sweden. Of the total 1959 chemical woodpulp exports, 644,317 tons or 28 percent were shipped to the United Kingdom. West Germany moved up to second place, taking 317,828 tons while France dropped to third place, taking 253,919. The United States, which formerly was the second ranking market for Swedish woodpulp, took 243,809 tons, compared with the 1947-48 average of about 430,000 tons.

Sweden's mechanical pulp exports went chiefly to the United Kingdom, which took 193,744 tons or about 52 percent of such exports. France, with 49,300 tons, was second and the Netherlands (40,613 tons) was third. Exports of mechanical pulp to the United States amounted to only 8,382 tons.

Paper and board exports were 1,470,759 tons compared with 1,328,626 tons in 1958. Newsprint exports rose to 312,380 tons from 278,260 tons in 1958 and kraft paper exports fell slightly to 477,489 from 488,872 in 1958. West Germany (225,140 tons) replaced the United Kingdom (177,221 tons as Sweden's leading market for paper.

Iron ore exports reached 15,610,000 tons in 1959, compared with 14,935,000 tons in 1958. The United Kingdom, West Germany, and Belgium-Luxembourg are the large markets in Europe. In 1958 (latest year for which exports of iron ore by country are available), the United Kingdom took 3,144,000 tons; Germany, 6,411,000 tons; and Belgium-Luxembourg, 3,071,000 tons. The United States took only 64,000 tons in 1958, a sharp drop from the level of about 2 million tons received annually in postwar years up to 1955.

Swedish iron and steel exports in 1959 were at a record level. Commercial iron and steel exports reached 409,340 tons, an increase of 28 percent over 1958 and 52 percent over 1955. The demand for such products was led by West Germany, with India, the United States, Brazil, Norway, Denmark, and the United Kingdom following in that order.

Exportation of products of the engineering industry increased 5 percent in 1959. Exports of automobiles, trucks, and buses totaled 417,995,000 crowns and consisted of 48,028 passenger units and 7,255 trucks and buses. Exports to the United States of 26,090 passenger cars valued at 166,337,000 crowns and 24 trucks and/or buses valued at 470,000 crowns made automotive products Sweden's largest dollar earner for 1959.

Table 9 shows Swedish imports by selected commodities under the Standard International Trade Classification.

### Trade With the United States

The exchange of goods between the United States and Sweden is governed by provisions of the Ancey Protocol of Terms of Accession to the General Agreement on Tariffs and Trade (GATT), which entered into effect on April 30, 1950. This Protocol supplanted the 1935 United States-Swedish reciprocal trade agreement. In addition to relationship with Sweden under GATT, the United States signed a convention with Sweden, effective from December 12, 1939, designed to avoid double taxation.

Sweden's general control over imports adopted in 1947 for balance-of-payments reasons has been progressively relaxed for products of United States and other dollar-area origin ever since October 1, 1954. At the present time only a few commodities are still subject to import license regulation under the general import license control system.

It will be noted from table 10 that Swedish imports from the United States in 1959 reached a level of 1,308 million crowns (\$252 million) an increase of almost 10 percent over 1958. Principal imports from the United States are machinery and appliances, automotive parts and accessories, chemicals and chemical products, grain and grain products, base metals, fruits and vegetables, and tobacco.

Swedish exports to the United States were 44 percent greater in 1959 than in 1958. Motor vehicles and parts led Swedish exports as the largest dollar earner, 19 percent of total exports, replacing woodpulp, the leading export to the United States in previous years. In 1959, Sweden exported to the United States 26,090 passenger cars valued at 166,337,000 crowns, representing an increase in units and in value of 665 percent and 770 percent, respectively, over exports in 1956, the first year Sweden entered the United States im-

Table 9.—Selected Swedish Commodity Imports, 1958-59  
[Million of crowns]

Commodity	1959		1958	
	Value	Percent	Value	Percent
Foodstuffs -----	1,459	11.0	1,503	12.0
Grain and grain products -----	155		220	
Fruit and vegetables -----	484		492	
Fodder -----	81		119	
Beverage and tobacco -----	138	1.0	146	1.1
Tobacco and tobacco products -----	76		75	
Industrial raw materials other than fuel -----	914	7.0	951	7.6
Rubber, natural, synthetic and reclaimed -----	89		116	
Textile fibers -----	240		189	
Natural fertilizers and unprocessed minerals -----	144		142	
Ores and scrap -----	97		135	
Coal, oil, petroleum products, and electric energy -----	1,982	16.0	1,871	15.0
Animal and vegetable oils and fats -----	84	.7	93	.8
Products of the chemical and allied industries -----	831	6.8	948	7.6
Manufactured goods -----	2,852	24.9	2,818	22.6
Rubber products -----	90		99	
Yarn and textiles -----	743		776	
Base metals -----	1,217		1,286	
Machinery and apparatus, including means of transportation -----	3,150	25.6	3,210	25.8
Machinery and apparatus, other than electric -----	1,186		1,294	
Electric machinery, apparatus, and material -----	734		827	
Means of transportation -----	1,229		1,089	
Miscellaneous manufactured goods -----	835	6.7	904	7.2
Clothing -----	205		241	
Scientific instruments, photographic and optical goods -----	269		266	
Other -----	4	.3	4	.3
Total -----	12,249	100.0	12,448	100.0

Source: Swedish Monthly Trade Statistics, Number 12, 1959.



ported car market. The United States share of total Swedish exports of passenger automobiles amounted to 54 percent in 1959 (the United States supplied only 1 percent of Swedish imports of passenger automobiles).

Larger exports of automotive products, woodpulp, paper and paperboard, textile fibers and manufactures, and machinery and appliances contributed to the overall increase of Swedish exports to the United States in 1959.

In the 3-year period 1957-59, annual average exports to Sweden from the United States amounted to \$271 million, compared with an annual average of \$57 million in 1936-38. Annual average United States imports from Sweden were \$133 million, against \$51 million in 1936-38.

**Table 10.—Sweden's Trade With the United States, by Principal Commodities, 1958-59**  
[Millions of crowns]

Commodity	1958 <sup>1</sup>	1959
<b>Imports</b>		
Fruits and vegetables .....	56	69
Grain and grain products .....	36	77
Tobacco and tobacco products .....	61	55
Coal and coke .....	64	55
Petroleum products .....	42	45
Chemicals, basic materials, compounds, and products .....	84	146
Rubber, manufactures, etc. ....	33	46
Cotton and other textile fibers .....	83	33
Fabrics, knitwear, etc. ....	26	39
Base metals .....	n.a.	79
Machinery and appliances .....	288	353
Motor vehicles and parts .....	74	76
Instruments .....	29	39
Animal and vegetable oils and fats .....	n.a.	16
Products of mineral matter, excluding metals .....	n.a.	27
Metal manufactures .....	n.a.	20
Other products .....	n.a.	133
<b>Total</b> .....	<b>1,296</b>	<b>1,308</b>
<b>Exports</b>		
Ores and metal scrap .....	n.a.	20
Wood products, including furniture .....	n.a.	43
Woodpulp .....	111	160
Paper and paperboard .....	31	45
Textile fibers and textile manufactures .....	14	27
Commercial iron and steel manufactures .....	n.a.	73
Machinery and appliances, nonelectrical .....	45	99
Machinery and appliances, electrical .....	13	10
Motor vehicles and parts .....	131	175
Instruments .....	n.a.	8
Base metals .....	n.a.	147
Hides, skins, and furs, unworked .....	n.a.	58
Other products .....	n.a.	41
<b>Total</b> .....	<b>628</b>	<b>906</b>

<sup>1</sup> Statistical classifications were changed on January 1, 1959; therefore, it is not possible to present comparable figures for 1958 in every instance.

Source: Monthly Swedish Statistics, Nos. 12 of 1958; 12 of 1959; and 1 of 1960.

## Commercial Policy Developments

Sweden is an active member of the Organization for European Economic Cooperation (OEEC) and the European Monetary Agreement. It has cooperated in the OEEC trade-liberalization program. Only a small number of commodities which may be imported from the United States and other dollar-area countries, from EMA countries and their currency areas, and from Finland, Yugoslavia, and Indonesia are still subject to import license. Likewise, only a small group of commodities require a license for export to EMA countries and their currency areas and to the United States and most other Western Hemisphere countries.

Sweden is a Contracting Party to the General Agreements on Tariffs and Trade (GATT) and has

taken an active part in the several tariff negotiating conferences. Sweden is also a member of the International Wheat Agreement.

An export credit guaranty system has been in operation for many years and is administered by the Swedish Export Credit Guaranty Board.

The Swedish Government appropriates a separate sum annually for technical assistance on a bilateral basis in addition to the contributions made to the United Nations technical assistance program. The principal countries benefiting from Sweden's bilateral aid are Ethiopia, Pakistan, and Ceylon.

## Tariff Structure, Sales Taxes<sup>2</sup>

The Swedish import tariff is single column, the same rate of duty applying to imports from all countries. Conventional tariff concessions are incorporated in the tariff and thus are generalized.

Both fiscal considerations and the protection of domestic production influence the levels of Swedish import duties. On the whole, the duties are moderate.

Exports duties and export taxes are not levied.

As part of a new price-fixing system for agricultural products, which come into operation on September 1, 1956, a flexible system of import duties was set up for such products. These duties, in principle, are correlated to the domestic prices of the products as they move within certain predetermined limits.

Sales or similar internal taxes include a general turnover tax; excise taxes on spirits, beer, malt, mineral water, carbonated beverages, and playing cards; a consumption tax on gasoline and various temporary taxes on agricultural products and their derivatives and on automobiles, and luxury taxes on confectionery, dentrifices, and cosmetics.

## Marketing

### Principal Commercial Cities

The largest import, export, transit, and distribution centers in Sweden, with populations as of January 1, 1959, in thousands are: Stockholm, 805; Goteborg, 397; Malmo, 221; and Norrkoping, 90.

The centers of wholesale trade are confined to large cities and to a number of medium-sized towns, such as Halsingborg, Lund, Halmstad, Kalmar, Jonkoping, Linkoping, Orebro, Gavle, Sundsvall, and Ostersund. Retail stores spread out in a network over the country. Large annual trade fairs are held in Stockholm, Goteborg, Malmo, and Jonkoping.

### Marketing Channels

**Importers, exporters, and manufacturer agents.**—Importers are located chiefly in Stockholm, Goteborg, and Malmo. Exporters include manufacturers located throughout Sweden and agents in Stockholm and Goteborg. About 700 manufacturers' agents are members of the Federation of Swedish Commercial Agents (Svenska Handelsagenters Forening), Stockholm; of these, 380 are in Stockholm, 114 in Goteborg, and 64 in Malmo.

<sup>2</sup> These taxes apply to both imported and domestic products.



**Wholesalers and retailers.**—The Federation of Swedish Wholesale Merchants and Importers (Sveriges Grossistförbund), Stockholm, has 1,250 members. Its membership had total annual sales of 12 billion crowns in 1955. Of these total sales, about 65 percent were handled by members in Stockholm, Goteborg, and Malmo.

Trade lists of importers and dealers in Sweden classified by commodity, and similarly classified lists of manufacturers and exporters, are available for \$2 per commodity list from the Commercial Intelligence Division, Bureau of Foreign Commerce, Washington 25, D. C., or from the Field Offices of the U. S. Department of Commerce. World Trade Directory Reports on individual Swedish firms are available from the same sources for \$1 each.

ICA-Koncernen (ICA Concern), a wholesale organization in Stockholm, accounts for about 5 percent of total wholesale trade. It is owned by 11,000 retailers throughout Sweden, and consists of the following companies: Hakonbolaget, Vasteras; Eolbolaget, Goteborg; AB. Speceristernas Varuinkop, Stockholm; and Nordsvenska Kopmanna AB, Ostersund. These companies import foodstuffs, chemicals, paints, and so on.

A.S.K.-Bolagens Ekonomiska Forening, u.p.a. (A.S.K.), an association of food products (including fresh, canned, and frozen foods) wholesalers, has a membership of 80 with an annual turnover 700 million crowns. A.S.K. members handle chemical articles and paper and paper products. Unil AB, a subsidiary organization of A.S.K., serves as import agent for the 880 member wholesalers. It participates with similar organizations in Denmark, Finland, and Norway through a central importing agency, the United Nordic Importers Ltd., AB., with headquarters at Unil AB., Stockholm.

The Federation of Swedish Retailers (Sveriges Kopmannaförbund), Stockholm, has 35,000 members throughout Sweden.

**Consumer-cooperative societies.**—Local consumer-cooperative societies, numbering 638, operate about 7,200 retail outlets, of which over 1,000 are self-service.

In 1959, these societies had a total turnover of 3,150 million crowns, which represents about 14 percent of total Swedish retail trade. These cooperative stores sell for cash. The cooperative movement increased its membership considerably during the war years, and the latest published statistics indicate that over 1.15 million households are members of local cooperative societies. This means that the movement supplies more than 3½ million persons.

The local consumer societies belong to a central organization, Kooperativt Förbundet (Cooperative Union), owned by them. The cooperative Union is the wholesale society of the cooperative movement, and is the central buying organization for the local societies. It also operates some 40 manufacturing plants, employing about 4 percent of Sweden's industrial labor force. It is the announced policy of the Cooperative

Union that it will endeavor to distribute goods at the lowest possible production costs and that it may be more economical to buy from highly specialized producers than to maintain its manufacturing activities.

## **Aids to Distribution**

**Advertising agencies and methods.**—Sweden's advertising agencies are rather closely organized. To be accepted by the Svenska Tidningsutgivareforeningen (Swedish Publishers Association), an agency must meet certain requirements—it must be experienced in the field and its books must be open for audit by the association. Only such authorized agencies may place advertising in Swedish newspapers, magazines, and trade journals.

Market research and copy testing are fairly highly developed in Sweden. Owing to the restrictions of the Publishers Association, it is difficult for foreign agencies to maintain Swedish branches; however, several Swedish agencies have connections with American advertising firms. A number of Swedish advertising concerns take only one customer in a particular field of industry.

Authorized advertising agencies include 26 in Stockholm and 3 in Goteborg. The two largest have more than 300 employees. The agencies are not, as a rule, specialized. However, several small agencies not in the association specialize in such media as direct mail and billboards.

The value of Swedish advertising amounts to over 400 million crowns a year. The major media are newspapers, magazines, and direct-mail advertising.

The country is well provided with newspapers and magazines; in 1958, 200 daily newspapers had an average weekday net circulation of 3,782,500 copies. Most of the daily papers have definite political affiliations, only 5 percent being designated "neutral or nonpolitical." However, distribution is largely independent of party politics.

Popular-type weekly magazines are issued in over 5 million copies. In addition, 500 publications—weekly, semimonthly, monthly, etc.—are issued on such special subjects as professions and trades; sports; social, political, and economic questions; the arts; and education.

**Storage facilities.**—In addition to the storage facilities in the free ports at Goteborg, Malmo, and Stockholm, customs warehouses (transitupplag) are available for storing dutiable goods which cannot be entered for direct consumption within the stipulated 15 days. Goods may be stored in such warehouses for a year.

Goods may also be stored under customs control in private importers' warehouses (tullnederlag) for as long as 5 years. Dutiable goods are classified according to the tariff when placed in such a warehouse but liquidation of duty is affected when the goods or parts of the goods are entered through customs for consumption. No deposit or bond is required.

**Commercial credit companies.**—A number of companies in Sweden are organized for the specific purpose of providing credit information, which is offered also by commercial banks. Credit information firms also engage in collection work and some firms specialize as





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collection agencies. Many law firms also do general collection work. Finance or commercial credit companies finance installment sales. An insurance company has a special department that finances installment sales.

**Chamber of Commerce.**—The Swedish Chamber of Commerce of the United States has an office in Stockholm. This office and the General Export Association of Sweden are interested in fostering American-Swedish trade relations, particularly exports to the United States.

**Foreign trade fairs and exhibits.**—The Swedish Trade Fair held annually at Goteborg in late spring and the St. Erik's Fair held annually in Stockholm in early autumn attract the greatest interest in respect to foreign trade. Smaller fairs are held at various Swedish trade centers. From time to time various kinds of national and international exhibits are held.

## Trade Practices

### *Customary Terms of Sale*

Swedish foreign traders adapt their terms of credit to the commodity and credit standing of the purchaser. Irrevocable letters of credit are used for most business transactions with United States and other foreign firms. The terms may also be cash against sight documents of 60 days or more. C.i.f. quotations in United States dollars or Swedish crowns are preferred. Foreign exchange regulations prevailing in most European countries, including Sweden, normally dictate to a large extent the terms a Swedish exporter or importer may extend or receive.

In the domestic market, automobiles, furniture, household labor-saving devices, radios, and, to a minor extent, readymade clothing are frequently sold on the installment plan.

English is spoken by most Swedish businessmen, and commercial correspondence can be carried on in English.

In general, business hours are from 9 a.m. to 5 p.m., with an hour for lunch starting at noon or 1 p.m. Offices, stores, and banks close early on Saturday.

Holidays observed are New Year's Day and the day following, Epiphany (January 6), Good Friday, Easter Monday, Ascension Day, Whit Monday, Midsummer Day, All Saints Day, and Christmas and the day following, "Boxing Day."

Most Swedish business and Government people concentrate their vacation periods in the summer, and a foreign visitor would find it difficult to do business or get appointments in such months.

Sweden uses Central European Time, 1 hour later than Greenwich Mean Time.

Sweden uses the metric system of weights and measures, but old Swedish measures still in use include the Swedish mile (10 kilometers); tunnland (0.49364 hectare, or about 1 acre); dussin (dozen); and tjog (score).

## Government Representation

The official commercial representative of Sweden in the United States is the Commercial Counselor of the Embassy, who has an economic and commercial staff and offices in the Chancery of the Embassy of Sweden, 2249 R Street, NW., Washington 8, D. C. The Swedish Government has consulates in major cities of the United States. Assigned to the Consulates General at New York, Chicago, and San Francisco are Commercial Secretaries, whose primary responsibility is the promotion of Swedish exports to the United States.

The United States maintains an Embassy in Stockholm and a Consulate General in Goteborg.

Prepared by Grant Olson, European Division, Office of Economic Affairs; based on official Swedish publications.

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